

**THE GOVERNING COUNCIL**  
**REPORT NUMBER 96 OF**  
**THE PLANNING AND BUDGET COMMITTEE**

**March 16, 2004**

To the Academic Board,  
University of Toronto.

Your Committee reports that it met on Tuesday, March 16, 2004, 5:00 p.m. in the Council Chamber, Simcoe Hall, with the following members present

Professor Avrum Gotlieb (in the Chair)  
Professor Edith Hillan, Vice-Chair  
Professor Vivek Goel, Interim Vice-President and Provost  
Ms. Catherine Riggall, Interim Vice-President, Business Affairs  
Professor Safwat Zaky, Vice-Provost, Planning and Budget  
Mr. Sachin K. Aggarwal  
Professor Rorke Bryan  
Professor Philip H. Byer  
Mr. Brian Davis  
Professor Miriam Diamond  
Professor David Mock  
Professor Susan Pfeiffer

Mr. Timothy Reid  
Professor Pekka Sinervo  
Mr. Nick Turk-Browne

**Non-voting Assessors:**

Ms. Sheila Brown, Controller and Director of Financial Services  
Professor Ron Venter, Vice-Provost, Space and Facilities Planning

**Secretariat:**

Mr. Neil Dobbs  
Mr. Andrew Drummond, Secretary

**Regrets:**

Ms. Murphy Browne  
Professor Sujit Choudhry  
Professor Susan Horton  
Ms. Shirley Hoy  
Professor Ian McDonald  
Professor Ian Orchard  
Professor J. J. Berry Smith

**In Attendance:**

Mr. Barnabas Emenogu, international graduate student  
Ms. Carol Ramm, Graduate Students' Union

ITEM 4 IS RECOMMENDED TO THE ACADEMIC BOARD FOR APPROVAL.

ALL OTHE ITEMS ARE REPORTED TO THE ACADEMIC BOARD FOR INFORMATION.

### **1. Report of the Previous Meeting**

The Secretary noted several changes to the report of the previous meeting. During a brief discussion, it was clarified that all the books going into the Library Storage Facility approved at the March 2, 2004 meeting would be catalogued prior to their removal to the Downsview facility.

The report of the last meeting (Number 95 of March 2, 2004) was approved as amended.

### **2. Business Arising from the Report of the last Meeting**

There was no business arising from the previous meeting.

### **3. Senior Assessor's Report**

Professor Goel reported that the provincial budget would be brought forward in May, and that so far there had been no indications about the method of implementing the tuition freeze promised by the government. He noted that the budget assumptions approved on March 2, 2004 were still appropriate. In addition, he noted that conversations with officials from the Ministry regarding enrolment targets were ongoing, and that his Office would be discussing targets for fall 2004 in the month of April.

Professor Goel then noted that the federal budget had been set for March 22, 2004, and that he anticipated that the thrust of measures affecting postsecondary education would be on revising student aid programs. He noted further that he continued to be optimistic about possible federal support for infrastructure and research.

Professor Goel then updated members on the academic planning process, which continued to proceed on schedule. He then noted that an analysis of the overall budget, along with options to move forward on capital projects, was underway and would be presented to the May meeting of the Business Board. This analysis would have downstream implications for the Planning and Budget Committee because of its role in approving capital projects.

During discussion, a member asked whether the divisional plans arising from academic planning processes currently underway across the University would be considered at one time or as they were received, and, if they were staggered, how priorities could be set on initiatives across campus.

Professor Goel noted that there would be some staggering, but that he did not view the expenditure of academic initiatives funds as an annual event but as ongoing. He further noted that planning was not merely for the purposes of developing a budget or a faculty and staff complement plan, but also for driving priorities for advancement, government relations, research, and other elements of academic activities.

#### 4. Budget Report, 2004-05

The Chair invited Professor Goel to present the Budget Report 2004-2005. Professor Goel provided a presentation (attached hereto as Appendix “A”), reiterating that as the first year of the six-year framework approved at the March 2, 2004 meeting, the 2004-2005 budget year represented a significant step in the implementation of the new plan.

Following Professor Goel’s presentation, the Chair invited Mr. Barnabas Emenogu to speak on behalf of the Graduate Students’ Union. Mr. Emenogu’s remarks centred on two key points: the 5% tuition fee hike for international students in the budget assumptions passed at the March 2, 2004 meeting would bring hardship to international students and reduce the ability of the University of Toronto to recruit international students as a result. He urged the Committee not to implement the tuition increase but to extend the planned provincial tuition freeze that would be granted to Canadian students.

Following Mr. Emenogu’s presentation, there was a considerable discussion as to the appropriateness of a proposal to increase international student tuition by 5%, and the appropriateness of the assumption that such an increase would occur. Although both the Chair and Professor Goel noted that the discussion was off-topic (in that the Business Board had responsibility for approving any increase in tuition and that the assumption to do so had been approved at the March 2, 2004 meeting of the Planning and Budget Committee), a discussion did follow and members asked the following questions:

- How many international students would be affected by the proposed increase and what would the budgetary impact of such an increase be?
- What would the impact be on the guaranteed funding model for graduate students?

Professor Zaky noted that although he did not have detailed figures, because the issue was not formally under discussion, he estimated that the net result would be approximately \$1 million annually at full rollout. A member noted that, in addition, other resources in place for international students were provided by numerous divisions.

When discussion on the budget resumed, members noted several questions:

- What was the meaning of the phrase ‘ROS commitments’ on page 14?
  - ‘ROS’ was shorthand for ‘Raising Our Sights’, the previous academic planning cycle that had been completed but from which some expenditures had been deferred to the first year of the new cycle.
- Would the indirect cost recovery be transferred to divisions in the slip year?
  - Monies received for the recovery of the indirect costs of research would be transferred to the appropriate divisions on a the ‘slip year’ basis (i.e., the year following receipt of the funds) because of federal requirements.
- Why was the Canada Research Chairs (CRC) fund surplus increasing by \$4 million?

#### 4. Budget Report, 2004-05 (cont’d.)

- Although the CRC fund surplus was indeed increasing, it would start to decline over time because of the lack of in-built inflationary/cost increases in the CRC grant; as a result, as CRCs' tenure at the University of Toronto grew longer, the University would be progressively less able to fund salaries and benefits for chairholders solely out of the funds received from the program.
- What was the validity of the interest rate assumptions on the debt service costs?
  - Interest rates were largely locked in for a period of 30 or 40 years and changes in the assumption did not materially affect the budget projection.
- What was the 'total picture' of the information technology (IT) initiatives on campus?
  - A newly hired Director of Strategic Computing had been given as his first major task the requirement to produce a 'total picture' IT report from which a proper IT strategy could be developed.

On motion duly moved and seconded,

YOUR COMMITTEE RECOMMENDS

THAT the Budget Report 2004-2005, a copy of which is attached hereto as Appendix "B", be approved.

## **5. Enrolment Projections**

The Chair invited Professor Zaky to present the report before members. Professor Zaky noted that 2004-2005 would see above normal admissions resulting from the double cohort, and that a target agreement was currently under negotiation. He reported that he expected full funding of those higher numbers.

Professor Zaky then noted that undergraduate growth would be concentrated at the east and west campuses, and additional increases would result from the cancellation of three-year Arts and Science programs.

Graduate enrolment would not see significant increases despite demand because of the cap on grant funding; because of this cap, the University of Toronto supported more graduate students than its BIU funding would indicate, which was problematic for institutional priorities.

During discussion, members asked about the appropriateness of the funding guarantee for graduate students given the inability of the University to expand graduate programs significantly as a result. Professor Zaky noted that significant risks did exist in terms of

## **5. Enrolment Projections (cont'd.)**

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the relative growth of undergraduate programs, but that the funding guarantee allowed much clearer enrolment planning at the graduate level than previously was possible. Professor Goel noted that despite some negative implications of the funding guarantee, its existence clarified the University's status vis-à-vis its own graduate complement and that the University was now well positioned to discuss its possible graduate intake.

Members noted that it would be desirable to have a further discussion at a later meeting on the overall picture of faculty turnover combined with graduate enrolment planning, and the implications those variables had on overall planning.

**6. Other Business**

There was no other business.

**7. Date of the Next Meeting; Tuesday, April 20, 2004**

The Chair reminded members that because the meeting scheduled for March 30 had been cancelled previously, the next regular meeting was scheduled for Tuesday, April 20, 2004 commencing at 5 p.m. in the Council Chamber.

The meeting adjourned at 6:30 p.m.

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Secretary

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Chair

March 29, 2004